

THE TORONTO STOCK EXCHANGE

file
SATELLITE METAL MINES LIMITED

FILING STATEMENT NO. 1582.
FILED, OCTOBER 27th, 1967.

Full corporate name of Company
Incorporated under Part IV of the Companies Act (Ontario) by Letters Patent dated February 18th, 1953; Supplementary Letters Patent dated July 30th, 1958
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1492

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Offering of rights to existing shareholders to purchase a maximum of 536,073 additional shares (see Item 6). Underwriting agreement to ensure receipt of \$65,000 minimum by the Company under such rights offering.
2. Head office address and any other office address.	Suite 908, 330 Bay Street, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years or present or proposed officers and directors.	M. JAMES BOYLEN, 35 Kingsway Cresc., Prospector and Toronto 18, Ontario Company Executive PRESIDENT AND DIRECTOR DAVID W. GORDON, 51 Alexander St., Professional Secretary Toronto, Ontario VICE-PRESIDENT AND DIRECTOR GORDON L. MOORE, 257 The East Mall, Mining Executive Apt. 207, SECRETARY-TREASURER AND Islington, Ontario DIRECTOR CHARLES B. BRANNIGAN 40 Elvaston Dr., Mining Accountant Toronto 16, Ontario ASSISTANT SECRETARY AND DIRECTOR PHILIP E. BOYLEN, 95 Bayview Ridge Brokers Account Executive Cresc., Willowdale, DIRECTOR Ontario KEITH A. WALKER, 972 Vistula Drive, Chartered Accountant Fairport Beach, DIRECTOR Ajax, Ontario FRED B. GEE, 28 Doris Ave., Accountant Willowdale, Ontario DIRECTOR
4. Share capitalization showing authorized and issued and outstanding capital.	CAPITAL STOCK: AUTHORIZED:-\$5,000,000.00 divided into 5,000,000 common shares of the par value of \$1.00 each. ISSUED:- 3,752,511 Shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None authorized or outstanding or proposed to be issued.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "A" on page 3.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Alness Investments Limited, 62 Richmond Street West, Toronto, Ontario. Martin D. Fremont of Toronto is the only person owning a greater than five per cent interest in Alness Investments Limited.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No cash or securities of the Company will be paid to a promoter in connection with the proposed offering of rights referred to in Item 6 hereof.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company is investigating a group of fifty contiguous unpatented mining claims in Desherbiers Township, Saguenay County in the general Havre St. Pierre area of the Province of Quebec. Such work is being done, in accordance with the recommendations of C. T. Ritchie in a report dated July 14th, 1967, and a supplement thereto dated November 7th, 1967, to both of which reference is hereby made, at an estimated cost of approximately \$35,000.00. In addition, the Company plans to continue searching for other promising properties and exploring them for economic minerals. No further work is presently contemplated for other properties that are now held by the Company.

10. Brief statement of company's chief development work during past year.	During the Summer and Autumn of 1966, the Company explored its claims and optioned property in Shakespeare and Hallam Townships, Ontario. The work consisted of linecutting, airborne and ground radioactivity surveying, geological surveying, rock pitting, sampling, assaying and 2,039 feet of diamond drilling. Also during the period from January 18th to March 12th, 1966, the Company diamond drilled nine holes totalling 5,650 feet on its property in Northesk Parish, Northumberland County, New Brunswick. In February and March, 1967, the Company staked and acquired 50 claims in Desherbiers Township, Saguenay County, Quebec, at a total cost of \$3,483.83, and in June, 1967, this group of claims was surveyed for radioactivity by airborne instrument. Further investigation of the Desherbiers property is in progress. The property in Shakespeare Township optioned on August 10th, 1966, from Delcan Minerals Limited was dropped on January 15th, 1967. A group of claims in the Lawson Siding area of Bathurst Parish, New Brunswick, was abandoned on December 31st, 1966. The Company acquired by assignment from M. James Boylen, 35 Kingsway Crescent, Toronto 18, Ontario, an option to purchase 200 acres in Albemarle Township, Ontario, at a cost of \$100.00 paid to Wesley A. King, R. R. No. 6, Warton, Ontario, and \$1,089.77 representing the cost of initial exploratory work carried out by Mr. Boylen on the property. Excepting the Delcan option and the Lawson Siding property mentioned above, all the properties of the Company have been maintained in good standing.																																			
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable.																																			
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.																																			
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	360,000 shares of the Company are held in escrow by Guaranty Trust Company of Canada at 366 Bay Street, Toronto, Ontario, subject to release, transfer, hypothecation or other alienations only upon the written consents of the Toronto and Canadian Stock Exchanges, the Quebec Securities Commission, and the Board of Directors of the Company.																																			
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<table><tr><td>M. K. Morgan, Orillia, Ontario.</td><td>-</td><td>15,000 shares</td></tr><tr><td>E. E. Toms, Orillia, Ontario.</td><td>-</td><td>15,000 shares</td></tr><tr><td>L. Almond, Shigewake, Quebec.</td><td>-</td><td>15,000 shares</td></tr><tr><td>Houston & Company Limited, 335 Bay Street, Toronto, Ontario.</td><td>-</td><td>33,000 shares</td></tr><tr><td>Jack A. Gilbert, 32 Deepwood Crescent, Don Mills, Ontario.</td><td>-</td><td>10,000 shares</td></tr><tr><td>Bebe Ciglen, 101 Bayview Ridge, Toronto, Ontario.</td><td>-</td><td>10,000 shares</td></tr><tr><td>H. Cravit, 91 Glen Rush Blvd., North York, Ontario.</td><td>-</td><td>10,000 shares</td></tr><tr><td>Lanson Holdings Limited, Suite 903, 330 Bay Street, Toronto, Ontario.</td><td>-</td><td>45,000 shares</td></tr><tr><td>Draper Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario.</td><td>-</td><td>45,000 shares</td></tr><tr><td>J. D. Bateman, 80 Richmond Street West, Toronto, Ontario.</td><td>-</td><td>81,000 shares</td></tr><tr><td>V. N. Harbinson, 298 Oriole Parkway, Toronto, Ontario.</td><td>-</td><td>81,000 shares</td></tr></table> In so far as the Company is aware, the registrants above-mentioned are the beneficial owners of the shares registered in their names.			M. K. Morgan, Orillia, Ontario.	-	15,000 shares	E. E. Toms, Orillia, Ontario.	-	15,000 shares	L. Almond, Shigewake, Quebec.	-	15,000 shares	Houston & Company Limited, 335 Bay Street, Toronto, Ontario.	-	33,000 shares	Jack A. Gilbert, 32 Deepwood Crescent, Don Mills, Ontario.	-	10,000 shares	Bebe Ciglen, 101 Bayview Ridge, Toronto, Ontario.	-	10,000 shares	H. Cravit, 91 Glen Rush Blvd., North York, Ontario.	-	10,000 shares	Lanson Holdings Limited, Suite 903, 330 Bay Street, Toronto, Ontario.	-	45,000 shares	Draper Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario.	-	45,000 shares	J. D. Bateman, 80 Richmond Street West, Toronto, Ontario.	-	81,000 shares	V. N. Harbinson, 298 Oriole Parkway, Toronto, Ontario.	-	81,000 shares
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15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><td>According to the stock registrar and transfer agent of the Company:-</td><td></td><td></td></tr><tr><td></td><td>Total Number of Shares</td><td>Number held in escrow</td></tr><tr><td>Houston & Company Limited, 335 Bay Street, Toronto 1, Ontario</td><td>513,125</td><td>33,000</td></tr><tr><td>Lanson Holdings Limited, Suite 903, 330 Bay Street, Toronto 1, Ontario</td><td>366,900</td><td>45,000</td></tr><tr><td>Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, Toronto 1, Ontario.</td><td>240,179</td><td>-</td></tr><tr><td>James Richardson & Sons, 173 Portage Avenue, Winnipeg, Manitoba</td><td>167,641</td><td>-</td></tr><tr><td>Draper, Dobie & Company Limited, 25 Adelaide Street West, Toronto 1, Ontario</td><td>104,475</td><td>45,000</td></tr></table> Of the shares registered in the names of Houston & Company Limited and Lanson Holdings Limited as above, a total of 188,500 shares are beneficially owned by Lanson Holdings Limited of which 78,000 shares are held in escrow. Lanson Holdings Limited is a private Company controlled by Mr. M. J. Boylen. Mr. M. J. Boylen, President of the Company, in his own right beneficially owns 151,125 shares of the Company, of which 125,125 shares are registered in the name of Houston & Company Limited, and the remaining 26,000 shares are registered in other "Street" names. The beneficial owners of other shares above listed are unknown to the Company.			According to the stock registrar and transfer agent of the Company:-				Total Number of Shares	Number held in escrow	Houston & Company Limited, 335 Bay Street, Toronto 1, Ontario	513,125	33,000	Lanson Holdings Limited, Suite 903, 330 Bay Street, Toronto 1, Ontario	366,900	45,000	Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, Toronto 1, Ontario.	240,179	-	James Richardson & Sons, 173 Portage Avenue, Winnipeg, Manitoba	167,641	-	Draper, Dobie & Company Limited, 25 Adelaide Street West, Toronto 1, Ontario	104,475	45,000												
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SCHEDULE "A"

The Company will offer to its shareholders of record at a date to be fixed by the Directors, the right to purchase at a price of 30¢ per share one additional share in the capital of the Company for every seven shares held at the record date. Subscriptions for fractional shares will not be accepted. The new issue will not be registered under The Securities Act of 1933 of the United States of America, and the shares will not be offered to shareholders whose recorded addresses are in the United States or any of its territories or possessions. The rights to purchase such shares will be transferable and will be traded in on the Toronto Stock Exchange and the Canadian Stock Exchange until shortly before they expire. There is understood to be no objection to a U.S. shareholder selling his rights. The offering of such shares will terminate four weeks after the record date. It is expected that the record date will be established as a date in the month of November following acceptance for filing of notice of the proposed offering by the Toronto and Canadian Stock Exchanges and exemptions from registration for the shares to be offered to the shareholders, under The Securities Act, 1966, and the Quebec Securities Act.

Draper, Dobie & Co. Limited, a member of the Toronto Stock Exchange, acting on behalf of its client, Alness Investments Limited, of Toronto, as to all interest, has agreed with the Company to purchase at the said price of 30¢ per share at the termination of the aforesaid rights offering, such number of treasury shares of the Company (if any), the proceeds of which when added to the proceeds of the sale of shares upon exercise of rights of shareholders will provide the Company with the sum of \$65,000. In consideration of such commitment by the underwriter, the Company has granted to it for its client the sole and exclusive right and option exercisable within three months following the termination of the rights offering, to purchase from the Company at 30¢ per share a number of shares which shall be the equivalent of one-half of the shares purchased by the underwriter pursuant to its commitment.

Any shares which the underwriter may be required to purchase under its aforesaid commitment may be offered in primary distribution thereafter only in accordance with the provisions of The Securities Act, 1966. If called upon to do so by the underwriter, the Company must file a statement of Material Facts respecting such shares.

The Company has applied to the Ontario Securities Commission and the Quebec Securities Commission for an exemption from registration under the respective Securities Acts of Ontario and Quebec for the shares which shall be purchased by shareholders of the Company under the rights offering.

FINANCIAL STATEMENTS

SATELLITE METAL MINES LIMITED (Incorporated under the Laws of Ontario) BALANCE SHEET - SEPTEMBER 30, 1967

A S S E T S

CURRENT		
Cash	\$	575.71
INVESTMENTS		
Shares of other mining companies, at cost (Quoted market value - \$49,386.03)		72,867.73
FIXED		
In the Province of Quebec, at cost:		
18 Mining claims and 1 mining concession in the Townships of Montauban and Chavigny	\$	671,606.00
Land and surface rights		2,950.00
50 Mining claims in the Township of Desherbiers and projected township 1075 (Baie Johan Beetz Area)		3,523.83
In the Province of New Brunswick, at cost:		
1 Mining license in the Parish of Northesk, County of Northumberland		21,370.84
In the Province of Ontario		
Option to purchase 200 acres, more or less, in the Township of Albemarle, County of Bruce, at cost		1,339.77
17 acres of surface land in the Township of Shakespeare, Sudbury Mining Division at nominal value		1.00
1 Patented mining claim in the Bad Vermillion Lake area, Fort Frances Mining Division, at nominal value		1.00
		700,792.44
MISCELLANEOUS AND DEFERRED		
Mine development, mine overhead and administrative expenses Balance, January 1, 1967		1,371,011.70
Add: Expenses for the nine months ended September 30, 1967		25,442.38
		1,396,454.08
Deduct: Development expenses on abandoned claims		29,126.41
		<u>1,367,327.67</u>
		<u>\$2,141,563.55</u>

LIABILITIES

CURRENT
Accounts payable \$ 2,257.49

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized:
5,000,000 Shares of \$1 par value \$5,000,000

Issued:
3,752,511 Shares 3,752,511.00
Less: Discount thereon 1,985,000.00
1,767,511.00

CONTRIBUTED SURPLUS
Surplus arising on re-organization 1,434,029.00
3,201,540.00

DEFICIT
Balance January 1, 1967 \$592,414.67
Add: Buildings, equipment,
materials and supplies written
off less proceeds of salvage
sale 435,755.36
Mining claims abandoned 4,937.50
Development expenses on
abandoned claims 29,126.41
1,062,233.94
2,139,306.06

APPROVED ON BEHALF OF THE BOARD

[Signature] Director
[Signature] Director

Prepared without audit

\$2,141,563.55

SATELLITE METAL MINES LIMITED STATEMENT OF SOURCE and APPLICATION OF FUNDS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1967

SOURCE OF FUNDS:

Salvage sales of building, equipment, materials and supplies \$ 4,717.38

APPLICATION OF FUNDS:

Acquisition by staking of 50 mining claims
in the Township of Desherbiers and projected
township 1075 (Baie Johan Beetz area) 3,523.83

Acquisition by purchase of option to purchase
200 acres, more or less, in the Township of
Albemarle, County of Bruce 1,339.77

Increase in mine development, mine overhead
and administrative expenses

Mine Development Expenses:
Surface exploration \$11,621.84

Mine Overhead Expenses:
Fire protection, watchman and
other shutdown expenses \$2,587.71
Mining licenses and fees 686.82
Property taxes 1,870.60
5,145.13

Administrative Expenses:
Audit and legal fees 730.00
Bank charges 8.15
Capital and place of business tax 86.43
Directors' attendance fees 1,400.00
Engineering and consulting fees 500.00
Filing fees 110.00
General expenses 22.38
Head office administration 2,050.00
Listing and sustaining fees 200.00
Printing, stationery and supplies 1,545.23
Postage 454.46
Shareholders' reports 529.20
Telephone and telegraph 372.02
Transfer agent and registrar fees 484.62
Travel expenses 182.92
8,675.41

25,442.38
30,305.98

WORKING CAPITAL:

Decrease for the period 25,588.60
Balance at January 1 23,906.82
Deficiency at September 30 \$ 1,681.78

	January 1, 1967	September 30, 1967
Current assets	\$24,364.16	\$ 575.71
Current liabilities	457.34	2,257.49
Balance (Deficiency)	\$23,906.82	\$(1,681.78)

APPROVED ON BEHALF OF THE BOARD

[Signature], Director
[Signature], Director

We hereby certify that there have been no material changes in the items on the Balance Sheet of the Company since date of the said Balance Sheet dated September 30, 1967 and date of the Company's Filing Statement dated October 18, 1967.

SATELLITE METAL MINES LIMITED

W. H. B. Blyth, President

S. K. [Signature], Secretary-Treasurer

SATELLITE METAL MINES LIMITED

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 1967

	<u>Cost</u>	<u>Market Value</u>
300,100 shares - Beauce Placer Mining Co. Ltd.	\$60,032.00	\$48,016.00
39,843 shares - Big Nama Creek Mines Limited (39,677 shares in escrow)	8,011.05	46.48
1,285 shares - Key Anacon Mines Limited	<u>4,824.68</u>	<u>1,323.55</u>
	<u>\$72,867.73</u>	<u>\$49,386.03</u>

Note: Included in these investments are 300,000 shares of Beauce Placer Mining Co. Ltd. which may not be sold without the prior consent of the Quebec Securities Commission.

ENGINEER'S REPORT

NOTE: The following is a Narrative Summary contained in a report by C. T. Ritchie, B.Sc., P.Eng. dated July 14th, on mining claims located in The Johan Beetz Area, Province of Quebec. A complete copy of this report is on file with the Toronto Stock Exchange.

NARRATIVE SUMMARY

Early in 1967 Satellite Metal Mines Limited acquired a rectangular block of fifty contiguous mining claims, amounting to approximately 2,000 acres, in Desherbiers Township, Quebec. The property lies eight miles north of the Gulf of St. Lawrence.

Access is by means of aircraft equipped with skis or floats operating out of Havre St. Pierre, thirty miles distant.

The area may best be described as a wooded wilderness that is geologically favorable for uranium prospecting. Indeed, the property itself is almost totally underlain by granitic rocks that, in numerous places, are sufficiently radioactive for detection by means of airborne instruments.

An aero-radioactivity survey has been completed. No follow-up ground work has been attempted, but as such work is warranted by the preliminary survey, a program of line cutting and Geiger counter prospecting, leading to trenching, sampling, geological appraising, and possibly to diamond drilling, is recommended at an estimated cost of \$35,000.00.

SATELLITE METAL MINES LIMITED
SUPPLEMENTAL EXPLORATION REPORT
THE JOHAN BEETZ AREA PROPERTY
PROVINCE OF QUEBEC

INTRODUCTION

This supplementary report pertains to the block of fifty claims belonging to Satellite Metal Mines Limited and lying about nine miles northwest of Johan Beetz, Province of Quebec, the property being the same one described in my report of July 14, 1967. Since that date certain exploration work has been performed by the Company, which still holds the claims. The work was in progress when I personally visited the property itself on August 16, 1967. As I then formed an opinion of the local geological conditions and as the Company's records of later work have been made available to me, I am now able to present additional information and to modify one of my original recommendations, which otherwise remain unaltered.

GEOLOGICAL AND MINERALOGICAL ASPECTS

My report of July 14, 1967 described the geological environment of the property. The description still obtains, but a more specific opinion of the conditions has been formed:

The chief rock underlying the generally thin mantle of overburden on the property was described as granite. It is now believed that this granite is largely of pegmatitic texture, that its feldspar is partly if not principally sodic plagioclase, that structurally it is a massive complex of flat-lying sills or sill-like intrusives, and that some layers or sills of the complex are radioactive.

The radioactive minerals are irregularly distributed in the rock, richly concentrated in small patches within moderately well mineralized zones, and poorly disseminated over large areas. Some enrichment or redistribution of the minerals has occurred near fractures in the pegmatitic granite.

Not all of the radioactive minerals of a neighboring property (Grandroy Mines Limited) have been identified, but a large proportion of them are either uraninite, pitchblende, or highly uraniferous thucolite. Uranothorite, thorite and other thorium bearing minerals are probably present, but on that neighboring property the percentage of radioactivity due to uranium is about 55%. This percentage is based on all samples assayed for both uranium and thorium, thirteen

only. The percentage applies to the mineral, not to the rock in which the mineral occurs. The percentage of uranium oxide in the rock is known on only relatively small areas, where opened by blasting. As of August 15, however, the average uranium oxide content of samples in three closely spaced trenches on the Grandroy property was 0.17%, or 3.4 lbs. of U_3O_8 per ton. The trenches suggested that this grade of mineralization extended over an area of 8,000 square feet or more, but the thickness of the flat-lying mineralized sill on the Grandroy property was not determinable. It is probably no more than a few feet thick, comparable, in this respect only, to the flat-lying pebble-conglomerate beds of the Elliot Lake uranium area. Other uranium bearing sills may lie below this partly exposed Grandroy structure.

Similar minerals may exist on the Satellite Metal Mines property, where the unknown ratio of uranium to thorium is probably high. The grade of mineralization in the trenches is comparatively low, and the assaying was radiometric only. For the present, one may assume that a good half of the radiometric grade is due to uranium oxide.

The pegmatitic sill complex on the Satellite Metal Mines property has been opened by blasting and excavating in rock at two widely separated places. One of them was being chip-sampled under my direct observation on August 16 by the Company's field geologist, J. A. Garnett. The sampling represented a length of thirty-five feet, which radiometrically assayed 0.088% U_3O_8 , including twenty-five feet which radiometrically assayed 0.124% U_3O_8 . The trench is near the north boundary of Claim No. 2 of Licence No. 260330.

The second place was opened by three pits at later dates and sampled on October 22 by Q. Chowdhury, a geologist employed by the Company. These pits are on and near the south boundary of the aforementioned claim. One pit eleven feet long radiometrically assayed 0.066% U_3O_8 over this length. The second pit, radiometrically assaying 0.035% U_3O_8 over its length of eleven feet, lies eighty feet to the northeast. The third pit, radiometrically assaying 0.073% U_3O_8 , over eighteen feet, begins eight feet east of the second. The weighted average radiometric grade of the three pits is 0.06% U_3O_8 , or 1.2 lbs. of uranium oxide per ton.

These assays bear little relation to the grade of the surrounding rocks, which, however, may possibly be sufficiently well mineralized to comprise a very large tonnage of low grade future ore. Relatively small but rich deposits of economic size and grade may occur on the unexplored parts of the property or beneath the upper layers of rock.

WORK PERFORMED ON THE PROPERTY

In addition to the aero-radiometric survey mentioned in the report of July 14, considerable exploration work has already been done. Twenty-seven miles of lines spaced 400 feet apart were cut,

chained, marked, and prospected by means of geiger counter. Two small areas near the excavations were closely examined by means of a scintillation counter. Four excavations, approximately totalling 5,000 cubic feet or 400 tons, were blasted and cleared of rock debris. Approximately one-half of the property, being the southern 1,000 acres, was geologically mapped during October. The rock excavations and some of the outcrops were sampled and radiometrically assayed.

In the report of July 14 it was recommended that the picket lines be spaced 800 feet apart. During the course of work on other properties in the area, however, the wisdom of spacing the lines more closely together became apparent, and 400-foot separations were adopted. Only the southern half of the property has been covered by the picket line system, which should be extended over the northern half.

To date the cost of the work performed on the property was \$13,491.76, including transportation, supervision, consulting, administration, and the exploration program itself.

CONCLUSIONS AND ESTIMATE OF COSTS

The recommendations of the July 14 report were followed by the field staff, except that the spacing of picket lines was advisedly modified and except that the general prospecting was somewhat limited. The results of the limited work are encouraging in the sense that definitely radioactive zones have actually been located on the property and in the geological sense that other zones, either beneath the overburden or beneath the upper layers of flat-lying rock, probably occur on the claims. The surface work should proceed further, as already recommended, and twenty-five additional miles of picket lines should be established. The suggested budget of \$35,000.00, including funds already spent, remains appropriate, at least tentatively, considering that the extra line cutting would cost less than \$2,500.00.

RECOMMENDATIONS

Although picket lines spaced 800 feet apart were recommended in the report of July 14, 1967, it is now recommended that the spacing be 400 feet, so as to cover the entire property. The other recommendations of July 14 are confirmed.

Respectfully submitted,

C. T. Ritchie, B.Sc., P.Eng.
Consulting Geologist

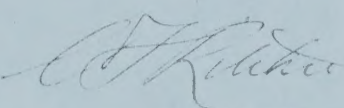
Toronto, Ontario
November 7, 1967



C E R T I F I C A T E

I, CICERO THEODORE RITCHIE, of the Borough of East York, County of York, Province of Ontario, hereby certify:

- (1) THAT I reside at 42 Cameron Crescent, Toronto 17, Ontario.
- (2) THAT I am an independent geologist and that I have been practising in my profession for more than twelve years.
- (3) THAT I studied physics and geology and graduated from Dalhousie University in 1938 with the degree of Bachelor of Science.
- (4) THAT I am a member of the Association of Professional Engineers of the Province of Ontario. (Mining Branch).
- (5) THAT I have not, directly or indirectly, received nor do I expect to receive any interest, direct or indirect, in the property of Satellite Metal Mines Limited or any affiliate of that Company, nor do I beneficially own, directly or indirectly, any securities of that Company or affiliate of that Company, except, by purchase on the open market, 500 shares The Coniagas Mines Limited and 2,000 shares of Captain Mines Limited.
- (6) THAT on August 16, 1967, I personally examined a portion of the property discussed in this supplementary report.
- (7) THAT this report is based partly on the results of an airborne radioactivity survey performed over the property, on publications of the Quebec Department of Natural Resources, on the field and office records of Satellite Metal Mines Limited and affiliated companies, and chiefly on my own observations while inspecting the property and its vicinity.


C. T. Ritchie, B.

Dated at Toronto, Ontario
this 7th day of November, 1967



16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings large enough to materially effect control of the Company. However, the present Directors of the Company are believed to be in such position dependent upon receipt of proxies from a sufficient number of Shareholders.																																	
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><thead><tr><th colspan="2">Number of Shares</th><th rowspan="2">Company</th><th>Book</th><th></th></tr><tr><th>Free</th><th>Escrowed</th><th>\$ Value</th><th>\$ Market</th></tr></thead><tbody><tr><td>1,285</td><td>—</td><td>Key Anacon Mines Limited</td><td>4,824.68</td><td>18/10/67 1,028.00</td></tr><tr><td>300,100</td><td>—</td><td>Beauce Placer Mining Co. Ltd.</td><td>60,032.00</td><td>42,014.00</td></tr><tr><td>166</td><td>39,677</td><td>Big Nama Creek Mines Limited</td><td>8,011.05</td><td>44.02</td></tr><tr><td colspan="3"></td><td><u>\$72,867.73</u></td><td><u>\$43,086.02</u></td></tr></tbody></table> NOTE: 300,000 shares of Beauce Placer Mining Co. Ltd. above mentioned may not be sold without the prior consent of the Quebec Securities Commission.					Number of Shares		Company	Book		Free	Escrowed	\$ Value	\$ Market	1,285	—	Key Anacon Mines Limited	4,824.68	18/10/67 1,028.00	300,100	—	Beauce Placer Mining Co. Ltd.	60,032.00	42,014.00	166	39,677	Big Nama Creek Mines Limited	8,011.05	44.02				<u>\$72,867.73</u>	<u>\$43,086.02</u>
Number of Shares		Company	Book																															
Free	Escrowed		\$ Value	\$ Market																														
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166	39,677	Big Nama Creek Mines Limited	8,011.05	44.02																														
			<u>\$72,867.73</u>	<u>\$43,086.02</u>																														
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.																																	
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	The Company has the right to acquire and purchase 200 acres, more or less, in the Township of Albemarle, County of Bruce, in the Province of Ontario, held under an option Agreement dated August 1st, 1966, made between Wesley A. King and M. James Boylen which Agreement was assigned to the Company by M. James Boylen on the 28th day of April, 1967. The option to purchase has been extended to August 1st, 1968, and upon payment of an additional \$200.00 may be extended until August 1st, 1969. Provided the Company elects to exercise its option to purchase, the Company is required to pay to the Optionor the sum of \$4,000.00 to acquire the mineral rights with right of entry pertaining to the 200 acres, which amount includes the amount of the three option payments aforementioned; and, to acquire the surface rights to the area, an additional payment of \$20,000.00 is required.																																	
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	No shares of the Company are presently in primary distribution to the public. Shares which shall be purchased by shareholders under the proposed rights offering may be offered and sold by such shareholders by way of secondary distribution. Shares which may be purchased by the underwriter named in Item 6 hereof, pursuant to its commitment to the Company, may be offered and sold in primary distribution only in compliance with the provisions of The Securities Act, 1966. There are no other material facts.																																	

DATED October 18th, 1967.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"M.J. Boylen" By: [Signature] SATELLITE METAL MINES LIMITED CORPORATE
"G.L. Moore" and: [Signature] President SEAL
Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

DRAPER, DOBIE & COMPANY LIMITED

"W.M. Wismer" By: [Signature] Vice-President
"D.J. Coulter" and: [Signature] Secretary

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1492,
FILED, SEPTEMBER 16th, 1966.

SATELLITE METAL MINES LIMITED

Full corporate name of Company
Incorporated under the laws of Ontario by letters patent dated
February 18, 1953. Supplementary letters patent dated July 30, 1958.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1384.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Option to purchase mineral rights in certain lands in Shakespeare Township, District of Sudbury, Ontario. Acquisition of unpatented mining claims in Shakespeare Township aforesaid. (See Items 11 and 12).
2. Head office address and any other office address.	Suite 908, 330 Bay St., Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Director and President - MATTHEW JAMES BOYLEN, 35 Kingsway Crescent, Toronto 18, Ontario Mining Executive and Prospector Director and Vice-President - WILLIAM C. DURHAM, 35 Leacrest Avenue, Toronto, Ontario Mining Executive Director and Secretary-Treasurer - GORDON LENNOX MOORE, 60 Rivercove Drive, Islington, Ontario Mining Executive Director and Assistant-Treasurer - CHARLES B. BRANNIGAN, 40 Elvaston Drive, Toronto 16, Ontario Mining Accountant Director - DAVID W. GORDON, Apt. 1114, 51 Alexander St. Toronto, Ontario Mining Executive Director - PHILIP E. BOYLEN, 35 Kingsway Crescent, Toronto 18, Ontario Brokers Account Executive Director - F. B. GEE, 28 Doris Avenue, Willowdale, Ontario Accountant M. J. Boylen was elected a director at the annual meeting held April 20, 1966, to replace Mrs. A Thomson, a former director.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - \$5,000,000, divided into 5,000,000 shares with a par value of \$1 each. Issued - 3,702,511 shares, all as fully paid
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None

9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company will examine and explore the optioned mineral rights in Shakespeare Township, Ontario, and the unpatented mining claims in the said Township, all of which are referred to hereunder. Such work will be done in accordance with the recommendations of L. B. Halladay, in his report to the Company dated Sept. 13, 1966, to which reference is hereby made, and the estimated cost is \$35,000. No part of the Company's funds (except that required for ordinary operating expense) will be used in the acquisition of any additional mining properties unless and until notice thereof has been given to and accepted for filing by the Toronto and Canadian Stock Exchanges. No funds will be used for the purchase of securities (other than those eligible for investment by insurance companies) without prior notice thereof having been given and accepted for filing by the said Exchanges. The Company has no present plans for further exploration of its property in Bathurst Parish, New Brunswick.
10. Brief statement of company's chief development work during past year.	The Company has maintained its mining properties in good standing. Following geochemical soil sampling done last year, a program of additional surface diamond drilling has been done on the Company's mining property in the Parish of Northesk, New Brunswick. The Company has staked at a cost of \$1,915.98 fifty mining claims in the Lawson Siding area of Bathurst Parish, New Brunswick covering approximately 2,000 acres. The Company has carried out an electro magnetic survey and has completed five diamond drill holes to a total footage of 3,117 feet.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	The Company has made an agreement as of August 10, 1966, with Delcan Minerals Limited, a private Ontario company, with head office at Espanola, Ontario, respecting the mineral rights in the east half of Lot 8 in the First Concession, Township of Shakespeare, District of Sudbury and in part of the west half of the said Lot 8. By such agreement, and in consideration of the allotment and issue by the Company to Delcan of 25,000 shares in the capital of the Company, all as fully paid and all free from escrow, Delcan has granted to the Company the exclusive right and option to purchase from Delcan at any time prior to January 15, 1967, all rights of Delcan in and to the said lands, including the mineral rights and the use of the surface rights for the purposes of mining. In order to exercise the purchase option, the Company is required to allot and issue to Delcan an additional 50,000 fully paid shares, all of which shall be free from escrow. During the option period, the Company has the right to enter upon the property and carry out exploration and/or development work. By agreement made as of August 15, 1966, between the Company and Charles Myles of Willisville, Ontario, the Company has acquired all right, title and interest under The Mining Act (Ontario) in and to 25 unpatented mining claims in Shakespeare and Hallam Townships, District of Sudbury and adjacent to the above described patented ground. The consideration to be paid by the Company to Mr. Myles is the sum of \$2,000 and the allotment and issue to him immediately of 25,000 shares in the capital of the Company, all free from escrow and all as fully paid. These claims are numbered S-137341 to S-137344, inclusive, in Hallam Township, District of Sudbury and S-137345 to S-137352 inclusive, S-137635 to S-137638, inclusive, S-137463 to S-137471, inclusive, all in Shakespeare Township, District of Sudbury. The Company has since purchased for \$1,000 from M. L. Doyle, Q.C. of Toronto 17 acres in the aforesaid west half of the said Lot 8 in the First Concession of the said Township of Shakespeare (and being the remainder of the said west half not optioned from Delcan Minerals Limited aforesaid). The Company is entitled to hold this 17 acre parcel in fee simple.

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	As to the agreement first above described, Delcan Minerals Limited, Espanola, Ontario, whereof Lewis E. Harris, Ph. D., Route No. 3, Delaware, Ohio, and Stanley J. White, Whitefish Falls, Ontario, are the only persons owning a greater than 5% interest. As to the agreement secondly above described, Charles Myles, Willisville, Ontario. As to the agreement thirdly described, Michael L. Doyle, Q.C., 2 Knightswood Road, Toronto, Ontario.																										
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	There are 360,000 shares held in escrow by Guaranty Trust Company of Canada, Toronto, which require the consents of the Toronto and Canadian Stock Exchanges and the directors of the Company prior to any release from escrow, and the Quebec Securities Commission prior to any release from escrow.																										
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<table> <tr> <td>Lanson Holdings Limited, Suite 908, 330 Bay St. Toronto 1, Ontario</td><td>45,000</td></tr> <tr> <td>Draper, Dobie & Co. Ltd. 25 Adelaide St. West, Toronto 1, Ontario</td><td>45,000</td></tr> <tr> <td>H. Cravit, 14 Danville Dr. Willowdale, Ontario</td><td>10,000</td></tr> <tr> <td>J. A. Gilbert 265 Upper Highland Cres. Willowdale, Ontario</td><td>10,000</td></tr> <tr> <td>Bebe Ciglen 101 Bayview Ridge, Willowdale, Ontario</td><td>10,000</td></tr> <tr> <td>M. K. Morgan Orillia, Ontario</td><td>15,000</td></tr> <tr> <td>E. E. Toms Orillia, Ontario</td><td>15,000</td></tr> <tr> <td>L. B. Almond, Shigewake, P.Q.</td><td>15,000</td></tr> <tr> <td>Houston & Co. Limited 335 Bay St. Toronto 1, Ontario</td><td>15,000</td></tr> <tr> <td>J. D. Bateman 80 Richmond St. W. Toronto 1, Ontario</td><td>81,000</td></tr> <tr> <td>V. N. Harbinson 298 Oriole Pkwy Toronto, Ontario</td><td>81,000</td></tr> <tr> <td>Dr. Ronald Roy Young</td><td>9,000</td></tr> <tr> <td>Houston & Co. Limited 335 Bay St. Toronto 1, Ontario</td><td>9,000</td></tr> </table> So far as the Company is aware, the aforesaid are the beneficial owners of such shares.	Lanson Holdings Limited, Suite 908, 330 Bay St. Toronto 1, Ontario	45,000	Draper, Dobie & Co. Ltd. 25 Adelaide St. West, Toronto 1, Ontario	45,000	H. Cravit, 14 Danville Dr. Willowdale, Ontario	10,000	J. A. Gilbert 265 Upper Highland Cres. Willowdale, Ontario	10,000	Bebe Ciglen 101 Bayview Ridge, Willowdale, Ontario	10,000	M. K. Morgan Orillia, Ontario	15,000	E. E. Toms Orillia, Ontario	15,000	L. B. Almond, Shigewake, P.Q.	15,000	Houston & Co. Limited 335 Bay St. Toronto 1, Ontario	15,000	J. D. Bateman 80 Richmond St. W. Toronto 1, Ontario	81,000	V. N. Harbinson 298 Oriole Pkwy Toronto, Ontario	81,000	Dr. Ronald Roy Young	9,000	Houston & Co. Limited 335 Bay St. Toronto 1, Ontario	9,000
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FINANCIAL STATEMENTS

SATELLITE METAL MINES LIMITED
(Incorporated under the Laws of Ontario)
BALANCE SHEET - JULY 31st, 1966

LIABILITIES

NIL

ASSETS

CURRENT:

Cash
Short term deposits

\$ 20,851.83
60,000.00 \$ 80,851.83

INVESTMENTS:

Shares of other mining companies, at cost
(Market value - \$17,962.65)

72,867.73

FIXED:

In the Province of Quebec, at cost:
18 Mining claims and 1 mining
concession in the Townships of
Montauban and Chavigny
Land, buildings and equipment

671,606.00
424,749.23

In the Province of New Brunswick, at cost:
1 Mining license in the Parish of
Northesk, County of Northumberland
50 Mining claims in the Parish of
Bathurst, County of Gloucester

21,370.84
1,915.98

In the Province of Ontario, at nominal value:
1 Patented mining claim in the Bad
Vermillion Lake area, Fort Francis
Mining Division

1.00 1,119,643.05

MISCELLANEOUS AND DEFERRED:

Material and supplies on hand, at cost
Mine development, mine overhead and
administrative expenses
Balance, January 1st, 1966 \$1,299,565.34
Add: Expenses for the
seven month ended
July 31st, 1966 64,419.22

18,673.51

Balance July 31st, 1966

\$1,363,984.56
\$2,656,020.68

Prepared without audit

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized:
5,000,000 Shares of \$1.00
par value

\$5,000,000.00

Issued:

-Balance, January 1st,
1966 3,102,511 shares
-Period of seven months
ended July 31st, 1966
-Balance July 31st, 1966
3,702,511 shares

Par Value

\$3,102,511.00 \$1,500,000.00

600,000.00 440,000.00

3,702,511.00 1,940,000.00

\$1,762,511.00

CONTRIBUTED SURPLUS:

Surplus arising on reorganization

1,434,029.00
3,196,540.00

DEFICIT:

Balance, January 1st, 1966
and July 31st, 1966

540,519.32

APPROVED ON BEHALF OF THE BOARD:

[Signature]....., Director
[Signature]....., Director

\$2,656,020.68

SATELLITE METAL MINES LIMITED
STATEMENT of SOURCE and APPLICATION of FUNDS
FOR THE SEVEN MONTHS ENDED JULY 31, 1966

SOURCE OF FUNDS:

Issue of capital stock under underwriting agreement December 38th, 1965 to Houston & Company Limited on behalf of their client		
400,000 shares at 25¢ per share	\$100,000.00	
200,000 shares at 30¢ per share	<u>60,000.00</u>	<u>\$160,000.00</u>

APPLICATION OF FUNDS:

Acquisition of shares of Key Anacon Mines Limited pursuant to an offering of rights to shareholders of that company		
85 shares		212.50
Acquisition by staking of 50 mining claims in the Parish of Bathurst, County of Gloucester (Lawson Siding area), Province of New Brunswick		1,915.98
Increase in mine development, mine overhead and administrative expenses		

MINE DEVELOPMENT EXPENSES:

Assays & core boxes	\$ 675.27	
Surface exploration	12,471.37	
Surface diamond drilling	40,496.75	
Surveys	<u>1,957.50</u>	55,600.89

MINE OVERHEAD EXPENSES:

Fire protection, watchman, and other shutdown expenses	1,931.87	
Mining licenses	781.20	
Property taxes	<u>2,714.11</u>	5,427.18

ADMINISTRATIVE EXPENSES:

Audit fees	650.00	
Corporation taxes	144.67	
Directors' fees	700.00	
Engineering and consulting fees	150.00	
Filing fees	385.00	
General expense	13.21	
Head office administration	800.00	
Listing and sustaining fees	200.00	
Printing, stationery and supplies	913.25	
Postage, telephone and telegraph	840.46	
Transfer agent and register fees	645.58	
Travelling	<u>25.00</u>	
	5,467.17	
Less: Interest earned	<u>2,076.02</u>	<u>3,391.15</u>
		<u>64,419.22</u>
		<u>66,547.70</u>

Increase in Working Capital \$ 93,452.30

Working Capital Changes	December 31, 1965	July 31, 1966	Increase (Decrease)
Current Assets	\$ 1,403.65	\$ 80,851.83	\$ 79,448.18
Current Liabilities	<u>14,004.12</u>	<u>—</u>	<u>(14,004.12)</u>
	<u>\$(12,600.47)</u>	<u>\$ 80,851.83</u>	<u>\$ 93,452.30</u>

APPROVED ON BEHALF OF THE BOARD

H. J. Boyle, Director
S. A. Brown, Director

We hereby certify that there have been no material changes in the items on the Balance Sheet of the Company since date of the said Balance Sheet dated July 31, 1966 and date of the Company's Filing Statement dated August 23, 1966.

SATELLITE METAL MINES LIMITED

H. J. Boyle, President
S. A. Brown, Secretary-Treasurer

ENGINEER'S REPORT

NOTE: The following are excerpts from a report by L.B. Halladay, B.Sc., P.Eng., dated September 13th, 1966, on mining claims located in Shakespeare and Hallam Townships, Sudbury Mining Division, Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

PROPERTY

The property held by Satellite Metal Mines Limited in the Agnew Lake Area of the Sudbury Mining Division, Ontario, is comprised of the following parcels held in one contiguous block:

Parcels owned outright:

Patented southeast corner, West 1/2 Lot 8, Concession I, Shakespeare Township (surface and mineral rights) 17 acres

Unpatented mining claims (mineral rights only) numbered:

S-137345 to S-137352 inclusive - Shakespeare Township	320 "
S-137463 to S-137471 inclusive - Shakespeare Township	360 "
S-137635 to S-137638 inclusive - Shakespeare Township	160 "
S-137341 to S-137344 inclusive - Hallam Township	160 "

Parcels held under option (mining rights only)

Patented East 1/2 Lot 8, Concession I, Shakespeare Township	160 "
Patented West 1/2 Lot 8, Concession I, Shakespeare Township	143 "
(Less 17 acres which were purchased outright)	
Total Area	1,320 acres

CONCLUSIONS

The following conclusions are based largely on evidence collected by personnel of Satellite Metal Mines Limited and which the writer considers to have been obtained and presented accurately.

Preliminary sampling has indicated the presence of ore-grade and near ore-grade uranium values in strike shears in altered sedimentary rocks of pre-Huronian age on the Agnew Lake Area property of Satellite Metal Mines Limited. Insufficient work has been done to date to determine the width and length of the radioactive zone but this can be done by trenching and diamond drilling.

Previous drilling apparently was limited to the easily accessible, flat ground to the west of the outcrop area and it is doubtful whether the main mineralized zone was adequately tested at depth.

In view of the results obtained from recent sampling of old trenches, the Shakespeare-Hallam Townships property of Satellite Metal Mines Limited warrants further detailed exploratory work.

The apparent association of radioactivity with shears opens other areas for possible exploration such as in the vicinity of the Murray and Webbwood faults. Scintillometer surveys in these areas would be effective provided the overburden is not too deep, in which case diamond drilling would be required.

RECOMMENDATIONS

It is recommended that a work program be carried out on the property as follows:

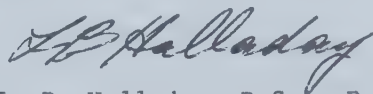
- (1) Line cutting at 200-foot intervals;
- (2) Scintillometer survey along grid lines;
- (3) Geological mapping;
- (4) Clean out old trenches, put in new trenches where scintillometer survey indicates radioactivity and sample all exposures;
- (5) Diamond drilling in areas indicated by above.

The cost of this program is estimated at:

(1) Line Cutting - 33 miles at \$60.00/mile	\$1,980.00
(2) Scintillometer Survey - 33 miles at \$15.00	495.00
(3) Geological Mapping	2,000.00
(4) Trenching and Sampling	1,500.00
(5) Diamond Drilling - 5,000 feet at \$5.00/ft.	25,000.00
(6) Supervision	3,000.00
(7) Miscellaneous and Contingencies	1,025.00
Total Expenditure	<u>\$35,000.00</u>

Further work will depend on the results obtained during this program.

Respectfully submitted,



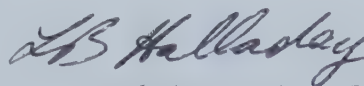
L. B. Halladay, B.Sc., P.Eng.

Toronto, Ontario
September 13, 1966

C E R T I F I C A T E

I, LORNE BEATTIE HALLADAY, of the City of Toronto in the County of York, in the Province of Ontario do hereby certify as follows:

- (1) THAT I am an independent mining geologist and reside at 65 Broadway Avenue in the City of Toronto in the Province of Ontario.
- (2) THAT I am a graduate of Queen's University, a Bachelor of Science; a member of the Association of Professional Engineers of Ontario; a Fellow of the Geological Association of Canada; and have been practising my profession since 1951.
- (3) THAT I have no personal interest, direct or indirect in the properties described in this report, or in the shares of Satellite Metal Mines Limited, and do not expect to receive any interest therein.
- (4) THAT my report dated September 13, 1966, on the properties of Satellite Metal Mines Limited is based on government geological reports and maps and unpublished company records.
- (5) THAT I have not visited the property.



L. B. Halladay, B.Sc., P.Eng.

Dated at Toronto, Ontario
the 13th day of September, 1966

Dominion of Canada

PROVINCE OF ONTARIO

County of York

In the Matter of SATELLITE METAL MINES LIMITED
(HEREINAFTER CALLED THE "COMPANY") AND IN THE
MATTER OF AN AGREEMENT BETWEEN THE COMPANY AND
DELCAN MINERALS LIMITED MADE AS OF AUGUST 10, 1966.

TO WIT:

I, STANLEY J. WHITE,

of the Hamlet of Whitefish Falls in the District

of Sudbury,

DO SOLEMNLY DECLARE THAT

1. I am the Vice-President and General Manager of Delcan Minerals Limited, the other party to the above agreement with the Company, and as such I have full knowledge of the matters herein declared.

2. Delcan Minerals Limited will receive for its own account absolutely all and any shares which may be issued to it by the Company pursuant to the aforesaid agreement. There is no person presently associated with the management of the Company who is entitled to receive from Delcan Minerals Limited any part of the said shares and the transaction is at arms length.

AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of "The Canada Evidence Act."

DECLARED before me at the *Town*

of *Expander*

in the District

of Sudbury

this *22nd* day of September

A.D. 19 66.

Stanley J. White

Don. Arthur

A Commissioner, etc.

Dominion of Canada

PROVINCE OF ONTARIO

County of York

In the Matter of SATELLITE METAL MINES LIMITED
(HEREINAFTER CALLED THE "COMPANY") AND IN THE
MATTER OF AN AGREEMENT BETWEEN THE COMPANY AND
CHARLES MYLES MADE AS OF AUGUST 15, 1966.

TO WIT:

I, CHARLES MYLES,

of the Settlement of Willisville

in the District

Sudbury

DO SOLEMNLY DECLARE THAT

1. I am one and the same person who signed the above agreement as a party thereto and as such I have full knowledge of the matters herein declared.

2. All and any consideration which is to be paid to me by the Company, pursuant to the said agreement, will be received by me and no person presently connected with the management of the Company, is entitled to receive any part of such consideration and the transaction is at arms length.

AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of "The Canada Evidence Act."

DECLARED before me at the *Town*

of *Espanola*

in the District

of Sudbury

this *22nd* day of September

A.D. 19 66.

Charles E. Myles

Mr. Acheson

A Commissioner, etc.

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	According to the stock registrar and transfer agent of the Company:- Houston & Co. Limited, 335 Bay St. Toronto 1, Ontario 424,625 Lanson Holdings Limited, Suite 908, 330 Bay St. Toronto 1, Ontario 465,000 Doherty, Roadhouse & McCuaig Bros. 335 Bay St. Toronto 1, Ontario 190,801 R. L. Armstrong 366 Bay St. Toronto 1, Ontario 152,000 G. W. Nicholson & Company Limited, 67 Richmond St. West, Toronto 1, Ontario 114,954 Of the shares registered in the name of Lanson Holdings Limited, 219,500 shares are beneficially owned by Lanson Holdings Limited. The beneficial owners of other shares above listed are unknown to the Company.																											
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present directors are in such position dependent upon receipt of proxies from other shareholders in sufficient numbers.																											
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><tr><th colspan="2">Number of Shares</th><th rowspan="2">Company</th><th rowspan="2">\$ Cost</th><th rowspan="2">\$ Market 18/8/66</th></tr><tr><th>Free</th><th>Escrowed</th></tr><tr><td>1,285</td><td>--</td><td>Key Anacon Mines Limited</td><td>4,824.68</td><td>2,570.00</td></tr><tr><td>300,100</td><td>--</td><td>Beauce Placer Mining Co. Ltd.</td><td>60,032.00</td><td>12,004.00</td></tr><tr><td>166</td><td>39,677</td><td>Big Nama Creek Mines Limited</td><td>8,011.05</td><td>61.42</td></tr><tr><td></td><td></td><td></td><td><u>\$72,867.73</u></td><td><u>\$14,635.42</u></td></tr></table> NOTE: 300,000 shares of Beauce Placer Mining Co. Ltd. above mentioned may not be sold without the prior consent of the Quebec Securities Commission.	Number of Shares		Company	\$ Cost	\$ Market 18/8/66	Free	Escrowed	1,285	--	Key Anacon Mines Limited	4,824.68	2,570.00	300,100	--	Beauce Placer Mining Co. Ltd.	60,032.00	12,004.00	166	39,677	Big Nama Creek Mines Limited	8,011.05	61.42				<u>\$72,867.73</u>	<u>\$14,635.42</u>
Number of Shares		Company	\$ Cost				\$ Market 18/8/66																					
Free	Escrowed																											
1,285	--	Key Anacon Mines Limited	4,824.68	2,570.00																								
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166	39,677	Big Nama Creek Mines Limited	8,011.05	61.42																								
			<u>\$72,867.73</u>	<u>\$14,635.42</u>																								
18. Brief statement of any lawsuits pending or in process against company or its properties.	None																											
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None																											
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	Delcan Minerals Limited and Charles Myles aforesaid have undertaken with the Quebec Securities Commission that no part of any vendor shares received by them will be offered or sold in the Province of Quebec. No other material facts. No shares are in the course of primary distribution to the knowledge of the Company.																											

DATED September 13, 1966

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"M. J. Boylen" Per: _____

"G. L. Moore" Per: _____

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE TORONTO STOCK EXCHANGE

30/1/69

FILING STATEMENT NO. 1673.
FILED, FEBRUARY 18th, 1969.

file

SATELLITE METAL MINES LIMITED

Full corporate name of Company
Incorporated under Part IV of the Companies Act (Ontario) by Letters Patent dated February 18, 1953; Supplementary Letters Patent dated July 30, 1958.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous Filing Statement No. 1582.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) Offering of rights to shareholders to purchase a maximum of 506,010 shares; (b) Underwriting agreement to ensure receipt of \$100,000 from such rights offering and agreement. Reference is made to Items 6 and 7 hereof.		
2. Head office address and any other office address.	Suite 908, 330 Bay Street, Toronto, Ontario.		
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	M. JAMES BOYLEN	35 Kingsway Cres., Toronto 18, Ontario.	Prospector and Company Executive <u>PRESIDENT AND DIRECTOR</u>
	DAVID W. GORDON	51 Alexander Street, Toronto, Ontario.	Professional Secretary, <u>VICE-PRESIDENT and DIRECTOR</u>
	GORDON L. MOORE	257 The East Mall, Apt. 207, Islington, Ontario.	Mining Executive, <u>SECRETARY-TREASURER and DIRECTOR</u>
	CHARLES B. BRANNIGAN	40 Elvaston Drive, Toronto 16, Ontario.	Mining Accountant, <u>ASSISTANT SECRETARY and DIRECTOR</u>
	PHILIP E. BOYLEN	118 Forest Hill Road, Toronto 7, Ontario.	Director, Draper, Dobie & Co. Ltd., Stock Brokers, <u>DIRECTOR</u>
	KEITH A. WALKER	972 Vistula Drive, Fairport Beach, Ajax, Ontario.	Chartered Accountant, <u>DIRECTOR</u>
	GORDON F. PUSHIE	St. John's, Newfoundland.	Industrial Consultant, <u>DIRECTOR</u>
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: \$5,000,000 divided into 5,000,000 common shares with a par value of \$1 each. Issued: 4,048,083 shares, all fully paid.		
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None authorized or outstanding or proposed to be issued.		
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	The Company will offer to its shareholders of record at a date to be fixed by the Directors, the right to purchase at a price of 30¢ per share one additional share in the capital of the Company for every eight shares held at the record date. Subscriptions for fractional shares will not be accepted. The new issue will not be registered under The Securities Act of 1933 of the United States of America, and the shares will not be offered to shareholders whose recorded addresses are in the United States of America or any of its territories or possessions. The rights to purchase such shares will be transferable and will be traded in on the Toronto Stock Exchange and the Canadian Stock Exchange until shortly before they expire. There is understood to be no objection to a United States shareholder selling his rights. The offering of such shares will terminate four weeks after the record date. It is expected that the record date will be established as a date in the month of February following acceptance for filing of notice of the proposed offering by the Toronto and Canadian Stock Exchanges and exemptions from registration for the shares to be offered to the shareholders, under The Securities Act, 1966 (Ontario), and the Quebec Securities Act. Mikaris Holdings Limited (hereinafter for convenience referred to as the "Underwriter"), acting as the principal, has agreed with the Company to purchase at the said price of 30¢ per share at the termination of the aforesaid rights offering, such number of treasury shares of the Company (if any), the proceeds of which when added to the proceeds of the sale of shares upon exercise of rights of shareholders will provide the Company with the sum of \$100,000.		

	Any shares which the Underwriter may be required to purchase under its aforesaid commitment may be offered in primary distribution thereafter only in accordance with the provisions of The Securities Act, 1966 (Ontario). If called upon to do so by the Underwriter, the Company must file a Statement of Material Facts respecting such shares. The Company is applying to the Ontario Securities Commission and the Quebec Securities Commission for an exemption from registration under the respective Securities Acts of Ontario and Quebec for the shares which shall be purchased by shareholders of the Company under the rights offering.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Those who have any interest, direct or indirect, in the underwriting agreement referred to in Item 6 hereof are those who are the shareholders of Mikaris Holdings Limited, the Underwriter named therein. Such shareholders are David W. Gordon, 51 Alexander Street, Toronto 5, Ontario; Philip E. Boylen, 118 Forest Hill Road, Toronto 7, Ontario; and James A. Boylen, R.R. #2, Malton, Ontario. David W. Gordon is the Vice-President and a Director of Satellite Metal Mines Limited and Philip E. Boylen is a Director thereof.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to use the major portion of the money to be received by it from the aforesaid rights offering and underwriting agreement, to carry out exploration of an uranium prospect consisting of 60 mining claims in Letellier Township, Duplessis County, on the north shore of the St. Lawrence River in the Province of Quebec, in accordance with the recommendations contained in the Report of E.A. Hart, Consulting Geologist, dated November 22, 1968, and supplement thereto dated January 10, 1969, made by S.E. Malouf, Consulting Geologist. The estimated total cost of the recommended program, if taken to completion, is \$87,500. Reference is made to the said Report and supplement which form part of this Filing Statement.
10. Brief statement of company's chief development work during past year.	During the 1968 exploration season the Company commenced an exploration program on a group of 60 mining claims in the Letellier Lake area of Duplessis County, on the north shore of the St. Lawrence River near Sept Iles. The claims were staked for \$4,100.65 and cost of work done to date was \$31,214.65. The Company spent \$1,960.91 at its Desherbiere Township claims in the same North Shore region. The Company has a 10% interest, acquired at a staking cost to the Company of \$7,207.48 in 1,080 claims in the Victoria Island area of the North West Territories. Others in the venture are Grandroy Mines Limited (50%), Captain Mines Limited (15%), First Orenada Mines Limited (15%) and Combined Metal Mines Limited (10%). The group carried out a preliminary exploration program and the Company's share thereof was \$6,647.61. The sum of \$10,035 was spent on a reconnaissance magnetometer survey and related work over a prospect near Mag Lake, near the Manitoba - Ontario boundary, but no claims were acquired. A ground survey and related work, at a cost of \$2,292.13 was done over 13 claims held by the Company in the Little Current River area of Ontario and \$1,917 was spent in ground work on an optioned property in Gauthier Township, Larder Lake Mining Division, which option was acquired at a cost of \$1,020 and is still in good standing.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	360,000 shares of the Company are held in escrow by Guaranty Trust Company of Canada at 366 Bay Street, Toronto, Ontario, subject to release, transfer, hypothecation or other alienations only upon the written consents of the Toronto and Canadian Stock Exchanges, the Quebec Securities Commission, and the Board of Directors of the Company.

FINANCIAL STATEMENTS

SATELLITE METAL MINES LIMITED (Incorporated under the Laws of Ontario) BALANCE SHEET - NOVEMBER 30, 1968

A S S E T S

Current		
Prepaid expense		\$ 250.00
Investments		
Shares of other mining companies		
- schedule 1		64,890.78
Mining properties at cost		
- schedule 2		712,694.15
Deferred development on active mining properties		<u>134,142.00</u>
- schedules 2 and 3		<u>\$911,976.93</u>

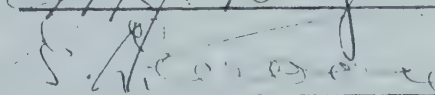
L I A B I L I T I E S

Current		
Bank overdraft	\$ 300.04	
Accounts payable	<u>11,788.76</u>	
		\$ 12,088.80

S H A R E H O L D E R S ' E Q U I T Y

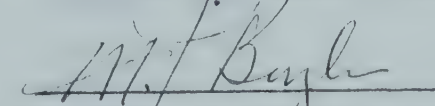
Capital Stock		
Authorized		
5,000,000 shares of the par value of \$1. each		
Issued and fully paid		
4,048,083 shares	\$4,048,083.00	
Discount on shares	<u>2,191,900.40</u>	
	1,856,182.60	
Contributed Surplus (unchanged from January 1, 1968)	<u>1,434,029.00</u>	
	<u>3,290,211.60</u>	
Deficit	2,368,122.17	
Balance, January 1, 1968		
Lapsed option on mining property and		
expenses thereon written off	1,371.27	
Outside exploration	10,035.70	
Expenses on inactive properties for the eight		
month period to November 30, 1968	2,271.53	
Administrative expenses for the eight month		
period to November 30, 1968	<u>8,522.80</u>	
	<u>2,390,323.47</u>	
		<u>899,888.13</u>
		<u>\$911,976.93</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

We hereby certify that there have been no material changes in the items on the Balance Sheet of the Company since date of the said Balance Sheet dated November 30, 1968 and date of the Company's Filing Statement dated January 21, 1969..

SATELLITE METAL MINES LIMITED

 President
 Secretary-Treasurer

SATELLITE METAL MINES LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1968

SOURCE OF FUNDS

\$ --

APPLICATION OF FUNDS

Acquisition of mining properties	10,951.07
Acquisition of option on mining property	1,020.00
Mine development, mine overhead and administrative expenses for the period	
- schedule 3	<u>65,543.52</u>
	<u>77,514.59</u>

WORKING CAPITAL

Decrease for the period	77,514.59
Balance at January 1, 1968	<u>65,675.79</u>
Deficiency at November 30, 1968	<u><u>\$11,838.80</u></u>

	January 1, 1968	November 30, 1968
Current assets	\$71,516.25	\$ 250.00
Current liabilities	<u>5,840.46</u>	<u>12,088.80</u>
	<u><u>\$65,675.79</u></u>	<u><u>(\$11,838.80)</u></u>

APPROVED ON BEHALF OF THE BOARD

M. J. Bayh Director

L. A. Peterson Director

SATELLITE METAL MINES LIMITED

Schedule 1.

SCHEDULE OF INVESTMENTS
NOVEMBER 30, 1968

		<u>Book Value</u>	<u>Market Value</u>
300,100	Beauce Placer Mining Co. Ltd.	\$60,032.00	\$19,506.50
166	Big Nama Creek Mines Limited - free	33.10	51.46
39,677	Big Nama Creek Mines Limited - escrow	1.00	—
1,285	Key Anacon Mines Limited	<u>4,824.68</u>	<u>989.45</u>
		<u>\$64,890.78</u>	<u>\$20,547.41</u>

Schedule 2.

SCHEDULE OF MINING PROPERTIES AND DEFERRED DEVELOPMENT EXPENSES
NOVEMBER 30, 1968

	<u>Mining properties</u>	<u>Deferred development expenses</u>
In the Province of Quebec, at cost :		
60 Mining claims in the Township of Letellier, Seven Islands Area	\$ 4,100.65	\$31,214.65
50 Mining claims in the Township of Desherbiers and projected Township 1075, Johan Beetz Area	3,442.11	23,993.84
18 Mining claims and 1 mining concession in the Township of Montauban and Chavigny (including \$2,950.00 for surface and land rights)	674,556.00	*
In the Province of New Brunswick, at cost :		
1 Mining license in the Parish of Northesk, County of Northumberland	21,370.84	68,076.33
In the Province of Ontario		
13 Mining claims in the Little Current River Area Sault Ste. Marie Mining Division at cost	995.07	2,292.13
Option to purchase 17 Mining claims in the Township of Gauthier, Larder Lake Mining Division, at cost	1,020.00	1,917.44
Miscellaneous properties, at nominal values	2.00	*
In the Northwest Territories		
10% interest in Victoria Island mining claims	<u>7,207.48</u>	<u>6,647.61</u>
	<u>\$712,694.15</u>	<u>\$134,142.00</u>

* Development expenses written-off

SATELLITE METAL MINES LIMITED

Schedule 3

SCHEDULE OF MINE DEVELOPMENT, MINE OVERHEAD AND ADMINISTRATIVE EXPENSES
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1968

Balance, January 1, 1968			\$ 89,460.01
Expenses for the period			
Mine development expenses			
Assays	344.84		
Camps and camp supplies	3,155.55		
Geologists fees and expenses	5,624.48		
Linecutting	1,011.84		
Maps and blueprints	1,811.00		
Surface exploration	13,702.33		
Surface diamond drilling	4,903.39		
Surveys	6,261.96		
Transfer fees	20.00		
Travelling and transportation of supplies	17,072.02		
Watchman	<u>161.03</u>		
		54,068.44	
Mine overhead expenses			
Fire protection, watchman and other shutdown expenses	111.89		
Mining licenses	1,285.44		
Property taxes	<u>1,554.95</u>		
		2,952.28	
Administrative expenses			
Audit and legal fees	450.00		
Bank charges	6.95		
Capital and place of business tax	151.43		
Directors fees	2,800.00		
Filing fees	35.00		
General expenses	94.96		
Head office administration	2,750.00		
Listing and sustaining fees	200.00		
Printing, stationery and supplies	155.21		
Postage	19.01		
Shareholders reports	1,433.85		
Telephone and telegraph	568.06		
Transfer agent and registrar fees	1,451.90		
Travel expenses	<u>108.95</u>		
	10,475.32		
Interest earned	<u>1,702.52</u>		
		<u>8,522.80</u>	
			<u>65,543.52</u>
			155,003.53
Deduct amounts written-off:			
Expenses on mining property held under option and allowed to lapse		31.50	
Exploration on outside properties included with mine development expenses		10,035.70	
Overhead expenses on inactive properties		2,271.53	
Administrative expenses for the period		<u>8,522.80</u>	
			<u>20,861.53</u>
			<u>\$134,142.00</u>

ENGINEER'S REPORT

S. E. MALOUF
CONSULTING GEOLOGIST

SEM/cdv

Suite 860
20 King Street West
Toronto 1

January 10, 1969

Dr. M.J. Boylen
President
Satellite Metal Mines Limited
330 Bay Street
TORONTO 1

REPORT ON LETELLIER TOWNSHIP PROPERTY -
SATELLITE METAL MINES LIMITED

Dear Sir,

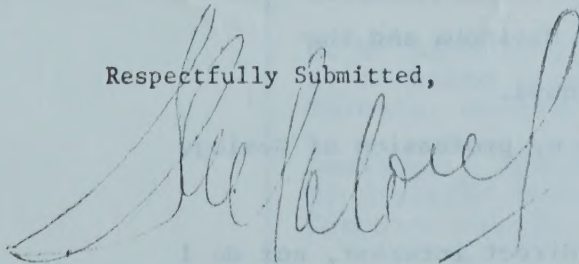
Exploration completed on your Letellier Lake property was reviewed by Mr. E.A. Hart on November 11, 1968, acting on my behalf. Mr. Hart's report was submitted on November 22, 1968, at a time when the trench assay data and check chemical assays were being assembled. His conclusions based on the evidence at hand was that three flat lying uraninite bearing pegmatite dykes were observed in thicknesses ranging from 60 to 150 feet. These had been exposed in a preliminary manner by rock trenching over an area approximately 1500 feet in diameter. The indicated grade from available data was 0.022% U_3O_8 equivalent the average of eight trenches or 400 linear feet.

The average grade of the deposit, including assays on the last trench assembled since the completion of Mr. Hart's report, totalled 0.025% U_3O_8 equivalent in nine trenches over a length of 430 feet. Chemical assays were taken on composites from six of the nine trenches. These gave an average of 0.021% U_3O_8 chemical as opposed to 0.040% U_3O_8 equivalent. The last trench located within a strong linear yielded 0.057% chemical and 0.075% U_3O_8 equivalent.

Exploration to date has been of a preliminary nature and highly encouraging. Major tonnages of low grade U_3O_8 mineralisation are indicated in a mode of occurrence that could lend itself readily to low cost extraction. Careful evaluation by diamond drilling is warranted with a potential, as a reasonable expectation, in excess of 30 million tons grading one quarter to one half pound U_3O_8 per ton in the area that has been exposed to date by rock trenching. Trenching of pegmatitic material in the area of a strong linear through the central portion of the property suggests that better grade material may be encountered where major faulting has occurred.

Recommendations made by Mr. Hart include 6000 feet of diamond drilling and additional trenching at a total cost of \$87,500.00. These are endorsed with an additional \$22,500.00 recommended for metallurgical study. The location and mode of occurrence are such that there is a very good chance that sufficient tonnages of low grade U_3O_8 mineralisation can be outlined to justify a large open pit deposit amenable to low cost metallurgical extraction methods.

Respectfully Submitted,



NOTE-The report by Edward A. Hart, M.Sc., P.Eng., dated November 22nd, 1968, referred to in the above is on file with The Toronto Stock Exchange.

Supplementary Report

S. E. MALOUF
CONSULTING GEOLOGIST

SEM/cdv

Suite 860
20 King Street West
Toronto 1

January 24, 1969

Dr. M.J. Boylen
President
Satellite Metal Mines Limited
330 Bay Street
TORONTO 1

REPORT ON LETELLIER TOWNSHIP PROPERTY -
SATELLITE METAL MINES LIMITED

Dear Sir,

Re the above as covered in mine of January 10, 1969 I concur that the drilling and trenching expenditures of \$87,500.00 precedes the \$22,500.00 expenditure recommended for metallurgical study, the later recommendation being contingent on the results of the drilling.

Respectfully submitted,

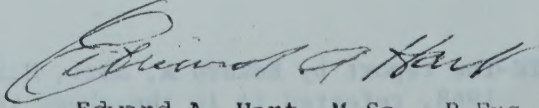
S. E. Malouf
Consulting Geologist

C E R T I F I C A T E

I, Edward A. Hart of the City of Toronto in the
Province of Ontario, hereby certify:

1. That, I am a practising geologist and reside at
23 Truman Road, Willowdale, Ontario.
2. That, I am a graduate of the University of Saskatchewan,
B. Sc. and McGill University, M. Sc. 1939.
3. That, I am a member of the Association of Professional
Engineers of the Province of Manitoba and the
Geological Association of Canada.
4. That, I have been practising my profession of Geology
for over twenty years.
5. That, I have no direct or indirect interest, nor do I
expect to receive any interest, directly or indirectly,
in the properties of Satellite Metal Mines Limited, or
the securities of same.
6. This report is based on my visit and examination of all
showings of the property, November 11th, 1968, and
company records.

Toronto, Ontario.
November 22nd, 1968.


Edward A. Hart, M.Sc., P.Eng.

14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<table> <tr> <td>M. K. Morgan, Orillia, Ontario.</td><td>15,000 shares</td></tr> <tr> <td>E. E. Toms, Orillia, Ontario.</td><td>15,000 shares</td></tr> <tr> <td>L. Almond, Shigewake, Quebec.</td><td>15,000 shares</td></tr> <tr> <td>Houston & Company Limited, 335 Bay Street, Toronto, Ontario.</td><td>33,000 shares</td></tr> <tr> <td>Jack A. Gilbert, 32 Deepwood Crescent, Don Mills, Ontario.</td><td>10,000 shares</td></tr> <tr> <td>Bebe Ciglen, 101 Bayview Ridge, Toronto, Ontario.</td><td>10,000 shares</td></tr> <tr> <td>H. Cravit, 91 Glen Rush Blvd., North York, Ontario.</td><td>10,000 shares</td></tr> <tr> <td>Lanson Holdings Limited, Suite 903, 330 Bay Street, Toronto, Ontario.</td><td>45,000 shares</td></tr> <tr> <td>Draper, Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario.</td><td>45,000 shares</td></tr> <tr> <td>J.D. Bateman, 80 Richmond Street West, Toronto, Ontario.</td><td>81,000 shares</td></tr> <tr> <td>V. N. Harbinson, 298 Oriole Parkway, Toronto, Ontario.</td><td>81,000 shares</td></tr> </table>	M. K. Morgan, Orillia, Ontario.	15,000 shares	E. E. Toms, Orillia, Ontario.	15,000 shares	L. Almond, Shigewake, Quebec.	15,000 shares	Houston & Company Limited, 335 Bay Street, Toronto, Ontario.	33,000 shares	Jack A. Gilbert, 32 Deepwood Crescent, Don Mills, Ontario.	10,000 shares	Bebe Ciglen, 101 Bayview Ridge, Toronto, Ontario.	10,000 shares	H. Cravit, 91 Glen Rush Blvd., North York, Ontario.	10,000 shares	Lanson Holdings Limited, Suite 903, 330 Bay Street, Toronto, Ontario.	45,000 shares	Draper, Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario.	45,000 shares	J.D. Bateman, 80 Richmond Street West, Toronto, Ontario.	81,000 shares	V. N. Harbinson, 298 Oriole Parkway, Toronto, Ontario.	81,000 shares
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J.D. Bateman, 80 Richmond Street West, Toronto, Ontario.	81,000 shares																						
V. N. Harbinson, 298 Oriole Parkway, Toronto, Ontario.	81,000 shares																						
	Insofar as the Company is aware, the registrants above-mentioned are the beneficial owners of the shares registered in their names.																						

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	According to the share registrar and transfer agent of the Company:- <table> <tr> <th></th><th>Total Number Of Shares</th></tr> <tr> <td>Draper, Dobie & Company Limited, 25 Adelaide Street West, Toronto 1, Ontario.</td><td>520,472</td></tr> <tr> <td>K.C. Irving Limited, P.O. Box 1421, Saint John, New Brunswick.</td><td>400,000</td></tr> <tr> <td>Doherty Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario.</td><td>145,965</td></tr> <tr> <td>G. W. Nicholson & Co. Limited, 67 Richmond Street West, Toronto, Ontario.</td><td>129,266</td></tr> <tr> <td>Davidson & Company, 25 Adelaide Street West, Toronto, Ontario.</td><td>100,820</td></tr> </table> M. J. Boylen, the President of the Company, beneficially owns 151,125 shares of which 125,125 shares are in the name of Draper, Dobie & Company Limited, and 26,000 are in other street names. Lanson Holdings Limited, in which company M. J. Boylen, P.E. Boylen and D.W. Gordon, directors of this Company each has an interest, beneficially owns 104,600 of the shares registered in the name of Draper Dobie & Company Limited, and 45,000 shares in its own name, a total of 78,000 shares being escrowed.		Total Number Of Shares	Draper, Dobie & Company Limited, 25 Adelaide Street West, Toronto 1, Ontario.	520,472	K.C. Irving Limited, P.O. Box 1421, Saint John, New Brunswick.	400,000	Doherty Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario.	145,965	G. W. Nicholson & Co. Limited, 67 Richmond Street West, Toronto, Ontario.	129,266	Davidson & Company, 25 Adelaide Street West, Toronto, Ontario.	100,820
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Davidson & Company, 25 Adelaide Street West, Toronto, Ontario.	100,820												

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings large enough to materially effect control of the Company. However, the present Directors of the Company are believed to be in such position dependent upon receipt of proxies from a sufficient number of Shareholders.																				
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.		<table><thead><tr><th></th><th>Book Value</th><th>Market Value 1/20/69</th></tr></thead><tbody><tr><td>300,100 Beauce Placer Mining Co. Ltd.</td><td>\$60,032.00</td><td>\$24,008.00</td></tr><tr><td>166 Big Nama Creek Mines Limited - Free</td><td>33.10</td><td>52.29</td></tr><tr><td>39,677 Big Nama Creek Mines Limited - Escrow</td><td>1.00</td><td>--</td></tr><tr><td>1,285 Key Anacon Mines Limited</td><td>4,824.68</td><td>1,001.30</td></tr><tr><td></td><td>\$64,890.78</td><td>\$25,061.59</td></tr></tbody></table>		Book Value	Market Value 1/20/69	300,100 Beauce Placer Mining Co. Ltd.	\$60,032.00	\$24,008.00	166 Big Nama Creek Mines Limited - Free	33.10	52.29	39,677 Big Nama Creek Mines Limited - Escrow	1.00	--	1,285 Key Anacon Mines Limited	4,824.68	1,001.30		\$64,890.78	\$25,061.59	
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	\$64,890.78	\$25,061.59																			
	NOTE: 300,000 shares of Beauce Placer Mining Co. Ltd. above mentioned may not be sold without the prior consent of the Quebec Securities Commission.																				
18. Brief statement of any lawsuits pending or in process against company or its properties.	None																				
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None																				
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	No shares of the Company are presently in primary distribution to the public. Shares which shall be purchased by shareholders under the proposed rights offering may be offered and sold by such shareholders by way of secondary distribution. Shares which may be purchased by the underwriter named in Item 6 hereof, pursuant to its commitment to the Company, may be offered and sold in primary distribution only in compliance with the provisions of The Securities Act, 1966 (Ontario). There are no other material facts.																				

DATED January 21, 1969

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"D.W. Gordon"

SATELLITE METAL MINES LIMITED
By [Signature] CORPORATE
Vice-President SEAL

"G.L. Moore"

By [Signature]
CERTIFICATE OF UNDERWRITER OR OPTIONEE Secretary

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

MIKARIS HOLDINGS LIMITED

"D.W. Gordon"

By [Signature]

"G.L. Moore"

By [Signature]